CORBIN INDEPENDENT SCHOOL DISTRICT Corbin, Kentucky

STATEMENT OF ACTIVITIES Year Ended June 30, 2009

		PROGRAM REVENUES					NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS			
FUNCTIONS/PROGRAMS	<u>Expenses</u>	5	narges for Services nd Sales	Operating Grants and Contributions	Gra	Capital ants and <u>tributions</u>	Governmental Activities	Business-Type Activities	<u>Total</u>	
GOVERNMENTAL ACTIVITIES: Instruction	\$ 14,307,941	\$	23,620	\$ 2,661,279	\$	-	\$(11,623,042)		\$(11,623,042)	
Support services: Student Instructional staff	221,619 513,398		<u>-</u> -	- 60,331		- -	(221,619) (453,067)		(221,619) (453,067)	
District administration School administration Business	706,558 1,149,761 467,714		- - -	91,507 -		- - -	(706,558) (1,058,254) (467,714)		(706,558) (1,058,254) (467,714)	
Plant operation and management Student transportation Other instructional	1,776,249 552,075 13,864		-	9,630		- -	(1,776,249) (542,445) (13,864)		(1,776,249) (542,445) (13,864)	
Facilities acquisition and construction Community services activities	59,807 213,814		- -	209,484	1,	374,638	1,314,831 (4,330)		1,314,831 (4,330)	
Interest on long-term debt TOTAL GOVERNMENTAL ACTIVITIES	693,558 \$ 20,676,358	\$	23,620	\$ 3,032,231	<u>\$ 1,</u>	<u>-</u> <u>374,638</u>	(693,558) (16,245,869)		(693,558) (16,245,869)	
BUSINESS-TYPE ACTIVITIES: Food service Day care TOTAL BUSINESS-TYPE ACTIVITIES	\$ 1,438,438 409,712 \$ 1,848,150	\$ <u>\$</u>	504,574 378,313 882,887	\$ 828,392 17,615 \$ 846,007	\$ <u>\$</u>	- - -		\$ (105,472) (13,784) (119,256)	(105,472) (13,784) (119,256)	
TOTAL PRIMARY GOVERNMENT	<u>\$ 22,524,508</u>	\$	906,507	\$ 3,878,238	<u>\$ 1,</u>	<u>374,638</u>			(16,365,125)	
						ERAL REVENUES axes				
						Property Motor vehicle Utilities Revenue in lieu of taxes -	2,290,761 423,356 626,470	- - -	2,290,761 423,356 626,470	
					Е	state and local tate and formula grants arnings on investments other local revenues	36,360 13,973,873 83,024 140,609	123,714 5,517	36,360 14,097,587 88,541 140,609	
					Char Net a	Total general revenues age in net assets assets, July 1, 2008 assets, June 30, 2009	17,574,453 1,328,584 10,347,523 \$ 11,676,107	129,231 9,975 526,582 \$ 536,557	17,703,684 1,338,559 10,874,105 \$ 12,212,664	

The accompanying notes are an integral part of these financial statements.

Certified Public Accountants (606) 528-2454 (FAX 528-1770)

P.O. Box 663 Corbin, Kentucky 40702

September 15, 2009

Members of the Board of Education Corbin Independent School District Corbin, Kentucky

We have audited the financial statements of the Corbin Independent School District as of and for the year ended June 30, 2009, and have issued our report thereon dated September 15, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards, <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States; the provisions of <u>Office of Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations, Appendix I to the Independent Auditor's Contract – General Audit Requirements, Appendix II to the Independent Auditor's Contract – Electronic Submission.</u>

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Corbin Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements, that is more than inconsequential, will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corbin Independent School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>. In addition, the results of our tests disclosed no instances of noncompliance of specific state statutes or regulations identified in Appendix II of the Independent Auditor's Contract – State Audit Requirements.

This report is intended solely for the information and use of the Board, management, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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Certified Public Accountants

Certified Public Accountants (606) 528-2454 (FAX 528-1770)

P.O. Box 663 Corbin, Kentucky 40702

September 15, 2009

Members of the Board of Education Corbin Independent School District Corbin, Kentucky

Compliance

We have audited the compliance of the Corbin Independent School District with the types of compliance requirements described in the <u>U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement</u> that are applicable to each of its major federal programs for the year ended June 30, 2009. The Corbin Independent School District's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Corbin Independent School District's management. Our responsibility is to express an opinion on the Corbin Independent School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations, Appendix I to the Independent Auditor's Contract – General Audit Requirements, Appendix II to the Independent Auditor's Contract – State Audit Requirements, and Appendix III to the Independent Auditor's Contract – Electronic Submission. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Corbin Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Corbin Independent School District's compliance with those requirements.

In our opinion, the Corbin Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. In addition, the results of our tests disclosed no instances of noncompliance of specific state statutes or regulations identified in section 3(9)(a)-(w) of the <u>Guide for Auditing Local School Districts' Fiscal Records</u> that are required to be reported under <u>Government Auditing Standards</u>.

Internal Control Over Compliance

The management of the Corbin Independent School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Corbin Independent School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corbin Independent School District's internal control over compliance.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board, management, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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Certified Public Accountants